

CLASIFICATION SECURITY INFORMATION
CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

REPORT NO. [REDACTED]

CD NO. 25X1A

COUNTRY Rumania

DATE DISTR. 15 July 1952

SUBJECT Economic, Social, and Political Information

NO. OF PAGES 1

PLACE ACQUIRED [REDACTED] 25X1A

NO. OF ENCLS. 1 (51 pr.)
(LISTED BELOW)

DATE ACQUIRED See Text
OF INFO

25X1X

SUPPLEMENT TO
REPORT NO.

MAY 8 1953

Attached for your information and retention is a document dealing with economic, social, and political information. 25X1A

STATE	NAVY	NSRB	DISTRIBUTION	25X1A
ARMY	AIR			

ORR x

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THIS IS AN ENCLOSURE TO
DO NOT DETACH

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B) - ECONOMIC INFORMATION**a) Food supply**

Jan 52 - The food ration card system is still in effect in Rumania.

In fact, it is rumored that as of 1 January [sic] further ^{restrictive} measures will be taken against the farmers and all those who have any farmland.

b) Industries

① Jan 52 - "SARMEI" metallurgical BRAILA plant located on the southern

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outskirts of the city, on the bank of the Danube River. (see no. 3 of attachment no. 1)

Increase in plant's potential

In 1950-1951, the following projects were carried out:

- a new Vulcan-type steam boiler was installed.
- preparations were made to install another such boiler.
- to house these two boilers, the building containing the boiler room was extended.
- water conduits and other installations were built.

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- wells were dug for the fire-fighting services.

Production:

- tools for miscellaneous work
- wire
- construction iron

This iron ordinarily comes from Czechoslovakia and the USSR.

Workers:

- about 2,000, divided into 3 shifts.
- Chief engineer: VOINESECU POSTICA.

Jan 52 - "PROGRESUL" Metallurgical Plant BRAILA
(formerly called Franco-Romana)

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located on the northern outskirts of the city. This is an important plant which employs 4,000-5,000 workers.

Plans are afoot to expand the plant and increase its potential; work has already begun with the extension of a building; it will cost a total of 500 million (?) lei computed on the basis of the monetary value prevailing prior to the recent monetary reform.

Production

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Boilers and materiel for the shipbuilding and petroleum industries. No other details are available.

Jan 52- I. M. D. (INTREPRINDERE METAL-BRAILA LURGICA DANUBIANA, Danubian Metallurgical Enterprise) plant located on DOROBANTI street. This is an important plant which employs about 1,200 workers.

Production:

- nails and rivets of various sizes
- various types of screws
- chains for various uses

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Jan 52 - "STANCA" cement factory BRAILA
located on street formerly
called Joan CANTACUTINO.

Projects to increase factory's potential:

In 1950-1951, the following projects
were carried out:

- a new clay dryer of Rumanian
make was installed.
- a new building was built.

Workers:

- about 400, including 60 members
of the labor battalions.

The work is carried out in three
shifts.

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Production:

About 38 railroad carloads daily of cement of the following types:

- Portland cement, called "super cement", of two types:

(- Portland "Mark 400" made with a low percentage of metallurgical alloy

- Portland "Mark 300" made with 25 percent metallurgical alloy.

- metallurgical cement

- ordinary cement which is of lower quality

Before undertaking the above-

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mentioned projects, the production of the factory in question amounted to 24 railroad carloads daily.

Disposal of Output

90 percent of the cement produced is sent to the USSR and 10 percent to the domestic market.

The cement shipped to the USSR is put in 50-kilogram paper bags, while that earmarked for local consumption is handled in bulk owing to the shortage of bags.

Jan 52- Preserved food plant and

79-80
VADENI
[illegible]

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establishment for wine processing
and bottling.

It was built in 1949-1950.
Its machinery came from Italy.
The plant went into operation in
the fall of 1950.

c) State building enterprises

Jan 52- "INTREPRINDERE NO. 7" (Enterprise
no. 7) 79-80
GALATI
40-M

Its main offices are located
in GALATI.

General Remarks

This enterprise operates in
Galati Province.

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Branches, called "work yards" are found in the principal cities of the province.

Director: one PRECUP, a former laborer

Assistant director: STOICA, former director who used to be a laborer

Chief engineer: engineer MENDELSON, a Jew.

Jan 52- "INTRAPRINDERE No. 7"-Work Yard(?) BRAILA

Work yard no(?) of enterprise no. 7, responsible to the main offices in GALATI.

The offices of the work yard are located at 21, Stalin Street

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Calarasi).

Director: engineer BOREICHER,
Constantin

Technicians:

- Engineer CHIRCULESCU
- building expert DRAGAN, Nicolai
- " " DRAGAN, Stana,
sister of Nicolai
- " " BALAN (first name
not known)

Workers: - 400 civilians

- 400 members of the labor
battalions who are housed
in the former "HILDEBRAND"
grain warehouses and in

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the former forestry offices.

Materials warehouse

Located on DOKOBANU street.

Motor vehicles

- 2 trucks

Work performed

Construction of new barracks
and stables; construction and
expansion of factories.

X d) Flour milling industry

Jan 52. Mills formerly owned BRAILA
by the Greek nationals RICHIA-
DOLO and AMBATIS.

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They are located on Carantina street, adjacent to the barracks occupied by a Graniciari unit (fluvial branch).

The source does not know whether these mills are now in operation.

He reports that a railroad siding is under construction to service the mills.

e) Social conditions

Jan 52 - Milk pasteurizing plant BRAILA
built in 1949-1950 on DOROBANTI
street. It is not in operation

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due to lack of milk.

F) Miscellaneous

Jan 52- Infirmmary for horses BRAILA
and cattle built in the fall
of 1949 on Karl Marx (formerly
Carol) Boulevard.

It consists of the following:

- a stable, 20x8 meters, divided into 8 stalls for as many animals.
- a building used for surgery and as clinic.
- a building to house the attending personnel.

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This is the only infirmary
of its type in the region.

C) - POLITICAL INFORMATION

a) Miscellaneous

Jan 52 - Former Markos Greek partisans BRAILA
in Rumania.

Many such partisans reside
in Braila, most of them with
their families.

They do manual labor in the
local factories and other such
establishments.

Note

The attached sketch (attachment
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Unidentified infantry unit

Jan 52- Housed in barracks located ⁷⁹⁻⁸⁰ CERNAVODA
on the northern outskirts of this ^{40-Q}
city, near the cement factory.

The barracks consist of 3-4
2-story masonry buildings.

These buildings are slated to
be torn down because of the
Danube-Black Sea canal project.

Not more than 100 men are
billeted there.

Miscellaneous unidentified units

Jan 52- Housed in the barracks ⁷⁹⁻⁸⁰ CONSTANTA
located on CAROL street. ^{44-Q}

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These are unidentified infantry, artillery, and armored force units.

Also all the other large buildings on this street are occupied by Soviet troops.

Note

The source is unable to give data on the unit identification numbers and the strength of these units.

/ B)- ECONOMIC INFORMATION

a) Agriculture - State agricultural enterprises

Jan 52- State agricultural enterprises

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have been set up throughout the area between CERNAVODA (40-Q) and MEDIDIA (42-Q), north of the railroad line connecting these two points and west of the MEDIDIA-TULCEA (44-M) ^{railroad} line.

The land area of the enterprises varies; they are about 6 to 10 kilometers apart.

Jan 52- State agricultural enterprise ⁷⁹⁻⁸⁰ CERNAVODA ^{44-Q}
complex. In the area east and northeast of this city, 4 such enterprises have been set up with private farms which since the

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SECURITY INFORMATION

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last war have been confiscated and nationalized.

These four enterprises are located in the following places:

- DOROBANTU (where the administration is located)

- TEPEȘ VODA

- BALTAGEȘTI

- TORTOMANU

These enterprises cover an area totaling 10,000 hectares.

All the above localities are in the area described above, but are not shown on the map.

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Farm workers employed

These enterprises have a number of permanent farm workers to whom are added seasonal workers during period of greatest activity.

The number of permanent workers is as follows:

- DOROBANTU enterprise : 100-120

- TEPEȘ VODA " 150

- BALTAGESTI " 90

- TORTOMANU " 70

Motor vehicles:

- 60 tractors of various unidentified types

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SECURITY INFORMATION

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- one automobile assigned to the administration
- there are no trucks, but, when needed, they are hired from the CONSTANTA state transport enterprises.

Crops grown

Wheat, corn, oats, barley, peas, wine, cotton.

Stock raising

These four enterprises raise livestock as follows:

sheep	about 1,000
cattle	" 60

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SECURITY INFORMATION

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milk cows

about 100

horses

" 100

This stock is distributed
according to use as follows:

- cattle, for draft and to
work the farmland
- milk cows and sheep, for milk
- horses, for draft and pack
transportation

Some of the livestock is
for slaughter.

Structures (known to the source):

- at DOROBANTU:

- a wheat silo to store

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SECURITY INFORMATION

the wheat of the four enterprises

- 2 workers' homes (characteristics not known)

- at TEPES VODA:

- In 1949, a single-story building was built; it is about 36x9 meters and is used to house workers. Its capacity is 104 men.

- In 1952, a masonry and wooden warehouse, about 40x7 meters, was built with inner partitions of wood. It is used to store wheat,

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corn, and barley. It has a capacity of 60 railroad carloads.

- at BALTAGESTI:

- 3 structures are about to be completed to house workers without families. These are one-story buildings, each about 28x8 meters.

- at TORTOMANLI:

- 2 structures similar to those at Baltagesti are being completed

Jan 52- TERPES VODA state agricultural enterprise

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Located in the area described in the preceding section.

The land was once owned by the DUMITRESCU family; the head this family, General Constantin Dumitrescu, was commander in chief of the Rumanian gendarmerie under the old regime. His son, also named Constantin but called "Puie", was private secretary to King Carol.

The father, who was arrested soon after the present regime took over, died before coming up for trial.

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SECURITY INFORMATION

All the family property has been confiscated and now constitutes the TEPEL VODA state agricultural enterprise which covers an area of 30 hectares, most of which is planted to grapevine. This region is famous for its wines.

Cotton cultivation

Cotton cultivation began in 1951 over an area of about 500 hectares. This cultivation is under the direction of Soviet technicians headed by an agricultural engineer not known to the source.

In addition to an undetermined

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number of
civilian workers, about 500 military personnel were assigned to the harvest which came to an average of one railroad carload (10 tons) daily and a total of 300-400 tons for the 500 hectares under cultivation.

The technicians consider this first harvest as very good, both as to quality and quantity; in fact, except for a ^{severe} hailstorm, the harvest would have been even better.

Cotton acreage will be increased this year.

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Total production of the 4 enterprises

In 1954, production was good,
as follows:

- wheat, about 170 railroad carloads
- cotton, between 30 and 40 carloads
- undetermined quantities of corn, barley, oats, peas for feeding hogs, and wine.

Destination of products

- cereals, to the DOROBANTU silos
- wine, to unknown destination by railroad
- cotton, loaded on Rumanian

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lighters and shipped to unknown destination

- wool, sent by truck to a government warehouse in CONSTANTIA

- milk, sent to the CONSTANTIA hospitals and to a dairy plant

Soviet control

The source reports that there are no Soviet managers or technicians in the 4 enterprises in question.

It is known locally, however, that this group of enterprises

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is subjected to Soviet control.

Director:

one TAGATA, Gheorghe, 45 years old,
according to hearsay information
a former captain in the old
Rumanian Royal Air Force.

Engineers

2 agricultural engineers (their
names are not known to the source)

Workers' quarters

- the workers who reside in nearby
villages sleep at home
- those who do not live nearby

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SECURITY INFORMATION

and have no family are housed in the workers' quarters provided by the enterprises.

Mess and food

All the workers eat in the mess halls of their respective enterprises.

Their meals are as follows:

- breakfast

- 1/4 liter of tea and 1/2 kilogram of bread to last all day

- dinner

- bean or potato soup

- potatoes or beans

- 100 grams of meat with

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SECURITY INFORMATION

beans or potatoes twice a week
(ciorba)

- supper

- same as dinner, except
that the order is inverted

Working hours

- masons: piece work with
no fixed hours

- agricultural workers: from
0700 to 1200 and from 1500
to 1900

Pay

- masons: at piece work, as much
as 800-1,000 lei before the lei

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SECURITY INFORMATION

was revaluated; their present earning capacity is not known.

- laborers: 250 lei daily prior to monetary revaluation; present earnings unknown.

- agricultural workers: by "norm," before revaluation of the lei, 200-250-300 lei daily; after the revaluation of the lei, from 6 to 8 lei daily.

Social insurance

applies to workers automatically when they join the labor unions.

b) INDUSTRIES

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Jan 52 Screw, nail and rivet factory 79-80 CERNAVODA
44-Q

here employs 200-250 workers.

It is expected that this factory will be transferred to SALIGNY (locality shown on the map, located about 10 kilometers southeast of Cernavoda, on the railroad line leading to CONSTANTIA).

Jan 52 Cement factory CERNAVODA

Former Franco-Belgian stock company, which has now been nationalized.

at present it employs about 250 workers.

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Before its installations were improved (at an undetermined date), it employed about 1,000 workers.

Kilns

- 1 rotating kiln of American type, 100 meters long and 3 meters in diameter; imported from the US about 15 years ago. Its productive capacity is about one railroad car-load of cement per hour.
- 1 rotating kiln of German make, 80 meters long and 8 meters in diameter. Its productive capacity

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is 14 railroad carloads of cement in 24 hours.

- 1 rotating kiln of German make, 80 meters long and 2.60 meters in diameter. Its productive capacity is 10 railroad carloads of cement in 24 hours.

Types of cement produced:

- quick-setting "SUPER" type
- normal-setting "PORTLAND" type

All three kilns produce both types.

un52-New cement factory located 79-80 MEDJIDIA
42-Q

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1 kilometer east of Medgidia.
Its construction was completed in
1951. It began production early
in 1952.

Its installations are not known,
but it is known that it is
a much larger plant than that
at Cernavoda mentioned above;
its installations are ^{also} larger.
The stone quarry from which
the raw material is obtained
is located on the spot.

c) FINANCE

Revaluation of the Lei - Monetary exchange

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28 Jan 52- As is already known, on the date indicated in the margin a Rumanian government decree went into effect for the revaluation of the lei and exchange of the money in circulation. The exchange was carried out as follows:

- on 24 January, all the newspapers announced that ^{prices of} all goods sold at state retail stores would drop 30 percent.

- on 27 January, the radio announced that the following day and for a period of 3 consecutive days money in

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25X1A

the possession of individuals must be exchanged for newly issued currency. ~~the~~

The rate of exchange was as follows:

- for the first 1,000 lei, 10 new lei

- for the next 1,000 lei, 5 " "

- " " " " " 5 " "

- above 3,000 lei 2.50 new lei
per thousand

Foreign exchange

- Before revaluation of the lei, a US dollar was quoted on the black market at 600 to 700 lei

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- After revaluation of the lei, a US dollar was quoted at 13 lei.
- gold pounds sterling, marengos and Italian lire were not to be found even on the black market.

Note:

While before revaluation of the lei, the US dollar was quoted at 600-700 lei, after the revaluation its new quotation of 13 lei corresponded to 1,600 old lei.

Prices and salaries

Prices

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Listed here are prices of certain commodities before and after re-valuation of the lei (in lei):

	<u>before</u>	<u>after</u>	
- meat	150	5	per kg
- sugar	200	9	" "
- rice	200	9	" "
- dark wheat flour	120	5	" "
- corn meal	50	2.50	" "
- eggs	20	.50	each
- table wine	87	4.20	per liter
- 1 live chicken			
(of about 2 kgs)	300-350	8-9	each
- milk	60	1.10	per liter
- "MARESESTI" cigarettes	36	1.70	per pack
- "NATIONALE" "	24	1.40	" "

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C) - ECONOMIC INFORMATIONa) Motive power

" " "SULZER" Thermoelectric power plant 79-80
CANARA
43-Q
Newly built; in operation since
1950.

Its construction is connected
with the Danube - Black Sea
canal project. It is located
about 1,500 meters north of CANARA.

" " Thermoelectric power plant under 79-80
SIUT-GHIOL
43-Q
construction

Located near Siut-Ghiol, on the
western shore of Lake Siut-Ghiol.
The building is being completed

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This plant is also to provide power to run the machinery and installations of the Danube-Black Sea canal project.

Feb 52) Finance

Feb 52- Compulsory exchange of lei in Rumania

On 28 January 1952, the compulsory exchange of old currency began in Rumania for newly issued, on the basis of the so-called "monetary reform".

The basic currency, however, is still the lei which differs from the old lei in the printing of the

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bills and the minting of the coins, as well as in the supposedly greater purchasing power attributed to it.

On 24 January, the radio announced the immediate closing down of all stores and banks and their re-opening shortly.

On 28 January, the monetary reform was announced by radio; on the basis of this reform, the lei was stabilized in relation to the gold value of the ruble, and the exchange of old for new currency was begun at once.

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The rate of exchange was as follows:

- for the first 1,000 old lei, 10 new ones
- for the next 2,000 old lei, 5 new lei per thousand.
- for every 1,000 old lei over the first 3,000, 2.50 new ones.

Thus, for the first 3,000^{old} lei, one received a total of 20 new lei.

The exchange of unlimited amounts was allowed. Naturally, the possessors of very large sums were reported, and measures are foreseen against them.

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The reform dissatisfied almost the entire population, because every one had savings which suddenly were greatly decreased.

The reform, however, was justified by party and government propaganda as the only means of uncovering and punishing speculators and workers' exploiters, pointing out that while the rate of exchange was as has been described above, new wages and salaries would be at the rate of 20 to 1, i.e., 1,000 old lei for 50 new ones.

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The denominations of the new bills and coins are as follows:

- 100 lei bill (maximum denomination)
 - 25 " "
 - 10 " "
 - 5 " "
 - 3 " "
 - 1 lei nickel coin
 - 1 ^{coin} ban of light alloy, in dark brass color
 - 5 ban coin of an alloy similar to the preceding one
 - 10 ban coin of an alloy similar to the preceding one
- (1 ban = $\frac{1}{100}$ of a lei)

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Wages and prices on the basis of exchange

With the new money, wages and salaries have been paid at the rate of 20 old lei to 1 new one.

For example:

- a worker who received 12,000 lei per month, now receives 600
- one who received 6,000 lei, now receives 300
- a suit of clothes which used to cost 20,000-23,000 lei on the free market now may be purchased for 1,000 to

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12,000 lei

- 1 kilogram of white bread which used to cost 98 lei now costs 2.50 lei, while a meal which used to cost 50 lei now may be had for 3 lei

Salaries above 30,000 old lei have been correspondingly reduced greatly.

From the few data given by the source it is not possible to draw a picture of the new economic situation brought about by the monetary reform.

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SECURITY INFORMATION

Jan 52- Resorts for "Stakanovist"
workers

79-80
CONSTANTA
43-Q

The former summer-house
of Constanta has been repaired
and renovated. The work was
done by political prisoners.
At present, it is used as a
rest home for "Stakanovist"
workers

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